



February 7, 2003

To: Cities, Counties, Housing Authorities, Redevelopment Agencies,  
Other Governmental Agencies and Interested Parties

RE: **HELP Program** (Housing Enabled by Local Partnerships)

I am pleased to announce that CalHFA is now accepting applications for \$10 million of HELP Program funds. This is the second of two rounds of funding offered during CalHFA's 2002-2003 fiscal year.

CalHFA initiated the HELP Program in fiscal year 1998-1999 with a commitment to provide \$100 million in low interest deferred housing loans over a five-year period. We received enthusiastic support for the program and are pleased to report that \$90 million has been committed during the first four and one-half years of the HELP Program to local agencies for innovative, diverse, and comprehensive housing programs.

We look forward to your application for HELP Program funds. For your convenience, we have enclosed HELP Program guidelines and requirements for the application package. Applications may be delivered to CalHFA, accordingly:

By mail or in person: Doug Smoot, Chief, Special Lending Programs  
CalHFA  
1121 "L" Street, 7<sup>th</sup> Floor, Sacramento, CA 95814  
By facsimile: (916) 445-9315  
By email: [dsmoot@CalHFA.ca.gov](mailto:dsmoot@CalHFA.ca.gov)

**Applications must be received no later than 5:00 P.M., April 4, 2003.** We anticipate that the HELP Program participants for this round of funding will be selected and announced by June 13, 2003.

CalHFA looks forward to working with you. If you have any questions regarding the application for HELP Program funds or require additional information, please feel free to call Doug Smoot, Chief, Special Lending Programs, at (916) 322-1325.

Sincerely,

Theresa A. Parker  
Executive Director

Enclosure



# ***HELP Program***

## **(Housing Enabled by Local Partnerships)**

Announcement Date: February 7, 2003

The HELP Program offers a 3% interest rate loan to local government agencies for their locally determined affordable housing activities and priorities. Although the primary stipulation is that the HELP Program funds be used to directly produce affordable housing units, there is, otherwise, virtually unlimited flexibility for the local agency to determine the specific housing activity and use of the funds in providing for the acquisition, development, rehabilitation, or preservation of affordable rental or ownership housing.

Proposals are competitively evaluated and relatively ranked using criteria to intentionally avoid any regulatory structure that would undermine a locality's determination of housing priorities. Open application periods are announced each Spring and Fall (typically February and August). Applicants (local government agencies) compete for approximately \$10 million of HELP Program funding in each round.

### **Program Objective**

To provide affordable housing opportunities through program partnerships with local government entities, consistent with their affordable housing priorities.

### **Program Parameters**

*Affordable Housing.* HELP Program funds must be used to directly provide affordable housing units. Housing units must be affordable for at least 10 years, with "affordable" being defined in the context of the unmet housing needs and priorities of the locality. HELP Program funds may not be used for technical assistance or administrative costs.

*Local Government Involvement.* Local government entities (defined as cities, counties, housing authorities, redevelopment agencies, community development commissions, etc.) must have a direct involvement with their programs. Local government entity involvement can include financial contributions of Federal, State, and locality program funds, and contributions such as land write-downs, fee waivers, density bonuses, and local agency program staffing and administration, and other similar benefits.

*Unmet Affordable Housing Needs.* HELP funds are intended for use by local government entities for unmet affordable housing needs as determined by each participating locality. Local government entities must demonstrate how the local priority was established and approved. Commonly, priorities are stated in Housing Elements, Consolidated Plans, or other documented housing plans.

Activities that are eligible under the HELP Program to facilitate affordable single family, multifamily, ownership and rental housing programs administered by local government entities include acquisition, rehabilitation, infill, predevelopment, development, construction, code enforcement and other housing-related development and revitalization efforts.

*Loan Conditions and Repayment.* HELP funds are available to a local government entity as an unsecured loan from CalHFA for up to 10 years at 3% simple interest per annum, and carry minimal restrictions and conditions. Repayment is backed by the general obligation of the local government entity and is required, in full, no later than 10 years from the date a loan agreement is executed. The local government entity shall assure that it possesses full authority to enter into the loan agreement and to repay the loan under the terms and conditions of the loan agreement.

*Loan-to-Lender Format.* Under this format, the local government entity contracts to repay CalHFA and re-lends or otherwise utilizes the funds for its stated purposes. The local government entity does not provide property or other resources as collateral.

### **General Considerations for Program Design**

*Evaluation Criteria.* Proposals are competitively evaluated. Those with the following characteristics will receive priority:

- extent to which assisted units are affordable (term, depth, amount, etc.)
- efficiency of program costs (which includes interest rate, administrative and staffing costs, etc.). NOTE: If the HELP Program funds are intended to be re-loaned by the local government entity to their program participant(s), then the interest rate on the re-loaned funds should be as low as practical to provide the maximum benefit to the assisted households
- maximization of benefit (number of units, HELP funds per unit, number of persons to benefit, etc.)
- implementation readiness (local agency experience with the type of housing activity, staffing and administrative capacity, local agency financial capacity, site control, local programs in place, drafted implementation plan, market and risk analyses, other financing sources in place, local government authority to proceed)
- relative resource impact in directly achieving program objectives (considers the locality's relative ability to contribute funds, staffing, administration and in-kind services; and the depth of leveraging provided)
- comprehensiveness of physical design (features physical design aspects that enable the residents and incorporation of the housing into the community) and resident support structure (that potentially includes community building, participatory management or governance, personal enrichment, direct support services, and linkages to local support services, etc.).

*Documented Housing Plans.* Proposals must include documented housing plans that demonstrate that the proposed housing activity described in the application has been identified as a local housing priority. Eligible documented housing plans include the housing element of the local general plan, Consolidated Plans, redevelopment plans, or other general housing plans that have received the ratification of the locality in which the housing activity will occur and/or the ratification of the local government agency's governing board or council. Applications must also include evidence that the plan has been ratified.

CalHFA will give preference to applications from local government entities whose housing element of the general plan have been approved by the State Department of Housing and Community Development (HCD) pursuant to the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

*Federal, State, and Local Requirements.* Federal, State or local government requirements may apply in this process depending on the nature and structure of the local program. These requirements may include Davis-Bacon and/or State Prevailing Wages and Article XXXIV (34) compliance.

If the applicant to the HELP Program is a city or county rather than a separate legal entity such as a redevelopment agency or housing authority, the applicant must address the requirements of Article 16, Section 18 (public finance indebtedness limitation), of the California Constitution.

*Equitable Distribution of Funds.* One of CalHFA's goals is to ensure an equitable distribution of HELP funds throughout California. CalHFA will utilize equitable distribution as a factor in the application ranking process to the extent necessary to achieve this goal.

### **Proposal Limitations**

1. Applicants are limited to local government entities (i.e., city, county, housing authority, redevelopment agency, etc.).
2. Proposals are limited to a maximum request of \$2,000,000.
3. Applicants are limited to one proposal in this funding round.
4. Applicants are limited to one approved proposal in this fiscal year (which begins July 1 and ends June 30).
5. Only one proposal for a specific project or program may be submitted. (e.g., multiple proposals for the same project or program from the redevelopment agency and housing authority located in the same city will not be accepted.)
6. Proposals for a particular project or program, regardless of the applicant, will be limited to a maximum of one approved funding per fiscal year and two approved fundings, overall.

### **Documentation Required for Application Package**

*The documentation and information required below is not all-inclusive. CalHFA may require additional documentation, as necessary, to evaluate and rank broadly varying program proposals.*

### **Applicant Information**

1. Name and address of Applicant (i.e. city, county, housing authority, redevelopment agency, etc.)
2. Mailing address of Applicant, if different than street address.
3. Name of chief administrator and position title for Applicant.
4. Contact person for application purposes: name, position title, address (if different than above), phone number, fax number, e-mail address (if applicable).
5. Description of your organization and your history and experience with housing activities. Include the number of units and type(s) of housing developed, rehabilitated, and/or under management.
6. Description of your experience and capacity to implement the housing program being proposed.

## Proposal Information

1. Provide an executive summary of the proposal of not more than two pages in length. The summary should include: the character and purpose of the proposal, the amount of HELP funds that are being requested, the amount and nature of other funding sources, the implementation time frame, and the resources and capacity that will be necessary to implement the proposal.

2. Provide a detailed description of the proposed program. The proposal should include, at a minimum:

- The type of program, the development process, time lines for requiring funding requests from CalHFA, and time lines for implementation and completion.
- The number of units and households expected to benefit from the program.
- The local government agency's affordability limits for tenants or homeowners and the means by which the requirements will be applied or secured by the property (development agreement, resale restrictions, loan agreement, deed restrictions, zoning ordinance, etc.).
- A statement that describes how the proposal addresses an unmet affordable housing need and how the local priority was established; documentation evidencing the local priority; and indication of the local authority or entity that made the determination of the housing priority. (Include copies of the documentation in which the housing need has been identified. Acceptable documentation includes identified portions of housing elements, consolidated plans, etc.)
- A description of the comprehensive features of the proposed program, such as the physical design of the developments and its incorporation into the surrounding community; and resident support structures such as the community building aspect of the program, participatory management or governance, personal enrichment or support services provided, etc.
- The amount of funding and term of loan that is being requested from CalHFA and the method and security and/or guarantee for repaying the loan. If the applicant is a city or county, address the requirement of Article 16, Section 18 (indebtedness limitation), of the California Constitution.
- The local government involvement in terms of financial contributions of federal, State, and locality program funds, and administrative contributions such as land write-downs, fee waivers, density bonuses, and local agency program staffing and administration responsibilities, and all other sources of funds, etc. (Please indicate if other CalHFA Homeownership or Rental loan programs will also be utilized).
- As applicable to the applicant/entity, please provide the status of tax-increment funds, including categories for funds that are encumbered, unencumbered, not committed, or considered "excess surplus".
- Evidence of site control or indications of potential site control, locality programs that are already in place that will be jointly utilized, drafted implementation plans, program implementation time lines, market and risk analyses, evidence of other financing sources in place, and other indications that the proposed program has been well-developed and that implementation can begin as immediately as possible.

## Other Requirements

1. *Attach a resolution*, duly executed by the governing board of the local government agency (the applicant), which grants the authority to a particular signatory to make application to CalHFA for the HELP Program to incur an indebtedness and execute loan agreements, commit specific local government agency resources as also detailed in the proposal to CalHFA, and take other actions necessary to facilitate the proposed program.

*Proposals will be rejected if the resolution is not received by the due date and does not grant authority to a signatory to make application to the HELP Program.*

2. *Attach one (1) copy of the housing element of the local general plan.*

*Additionally, attach one (1) copy of each of the applicable of the local consolidated plan, redevelopment plan, and other documented government housing plans.*

*Provide evidence that the attached housing element and/or plan(s) has been ratified by the appropriate local governing body. Highlight applicable excerpts that identify the proposed housing activity as a local housing priority.*

*Applications that are not in compliance with this requirement by the final due date will be rejected.*

## Application Submittal

**Applications must be received no later than 5:00 P.M., April 4, 2003.** CalHFA anticipates that the HELP Program participants for this round of funding will be selected and announced by June 13, 2003.

Applications may be delivered to CalHFA, accordingly:

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